

**Minutes**  
**Mental Health Services of Catawba County**  
**Board of Directors**  
**Thursday, July 19, 2007**  
**7:00 P.M.**

The Mental Health Services of Catawba County Board of Directors met on this date in the first floor conference room at First Plaza.

Members of the Board present included: Joe Beaman, Jr., Ray Von Beatty, David Boone, John Dayberry, Danny Graves, Ronald Kendrick, Lynn Lail, Crystal Leathers, Dr. Tom McKean, Charles Phillips, Maynard Taylor, and Dr. Robert Yapundich. Excused and/or absent for other equivalent circumstances were Harold Setzer, Susan Anderson, and David Isenhower. Mental Health staff present included John Hardy, Janice Cornett, Melanie Britt, Judy Dahlstrom, and Lori Mathes.

A quorum was present.

The meeting agenda was mailed to the Board and media on approximately July 12, 2007.

There were no representatives of the media present.

Board Vice Chair Joe Beaman, Jr. called the meeting to order at 7:12 P.M. He welcomed the guests from Burke County and the new Board members from Burke County, Ronald Kendrick and Maynard Taylor.

**Invocation**

Charles Phillips led the invocation.

**Minutes**

The minutes of the June 21, 2007 Board of Directors Meeting were presented.

Maynard Taylor made a motion that the minutes of the June 21, 2007 Board of Directors Meeting be accepted as presented. David Boone seconded the motion.

There was no discussion, and it was voted to accept the minutes of the June 21, 2007 Board of Directors Meeting as presented.

**Citizen Comments**

Several guests were present from Burke County. Vice Chair Beaman asked the guests to introduce themselves. Maria Benfield stated that she serves on the Consumer Family Advisory Committee as a representative of Burke County and the Human Rights Committee at Broughton Hospital. Her daughter, Josephine Benfield, was also present.

Patty Cooper noted that she is from Glen Alpine and has been involved in mental health issues in several states. She is interested in the merger between Burke and Catawba Counties. Ed Cooper, Patty's husband, was also in attendance.

### **Commissioners' Report**

Lynn Lail, Catawba County Commissioner, welcomed all the Burke County citizens present, especially the new Board members. The Catawba County Commissioners met only once during the month of July due to state and national association meetings. Their next meeting is scheduled for Monday, August 6<sup>th</sup>.

Maynard Taylor, Burke County Commissioner, stated that the Burke County Commissioners also met only once during the month of July. Budget was finalized at that meeting, and the commissioners are waiting to hear the State's decision on Medicaid.

### **Director's Report**

1. It is time for the annual renewal of confidentiality forms. Each Board member has a form that was distributed prior to the opening of the meeting. Please sign and return to Janice Cornett at the end of the meeting.
2. We are finally approaching closure on the Life Skills project.
3. Mental Health Services of Catawba County assumed LME responsibilities for services in Burke County effective July 1, 2007. We are in the process of finalizing contracts with providers. The first weekend in July, a couple of consumers spent an unreasonable period of time in the emergency room at Grace Hospital waiting for space for involuntary commitment. One was finally admitted to Frye Hospital and the other to Broughton. Unfortunately, this is a bed space issue and these incidents are not isolated to this area, but rather are a statewide problem.
4. A provider training is scheduled next week at Catawba Valley Community College with providers in Catawba County. A training was held with Burke County providers in June. The forum will address issues such as how to bill, the paperwork process, how we do business, etc.
5. We are in the process of developing a joint CFAC with Burke and Catawba. The group met last week in Valdese and is currently working to determine a meeting space convenient for both groups and the appropriate number of members needed.
6. We will have a satellite office in Morganton beginning September 1, 2007. The office will be located in the Morganton Trading Company. This location is favorable for fiber optic connections in the future. In the meantime, we will be utilizing a DSL line.

7. The transfer of Burke guardianship to Catawba will be completed by the end of August.
8. John referred the group to the handout of a letter from the State to Ron Lewis, Burke County Manager. There was a question of whether state dollars allotted to Foothills for Burke consumers would be distributed to Catawba County on a per capital basis (35%) or based on consumer utilization (45%). The State's original decision was that distribution would be based on per capita. However, after further discussion, the State has decided that the distribution of state dollars will be based on consumer utilization – 44.43%. This makes a difference of approximately \$900,000 in funds Catawba will receive for services to Burke County consumers. John was at a forum in Asheville today with Leza Wainwright, and she does not believe that the State will change that decision again.
9. In preparation of the merger with Burke County, Mental Health Services of Catawba County (MHSCC) is in the process of hiring additional employees and renovating current office space at First Plaza to accommodate additional staff. Currently, we are striving to fill 10 positions. These positions were also advertised through Foothills.
10. The Emergency Services (ES) process is going well. MHSCC did a Request for Proposal (RFP) earlier and Catawba Valley Behavioral Healthcare (CVBH) was the only respondent. They were awarded the contract and are providing ES and Mobile Crisis services. Crossroads was contracted to provide after hours access and callers are able to talk to an actual person, not a recording.
11. The dominant issue in the State is solving the Medicaid issue. Medicaid is currently funded 1/3 by the State, 2/3 by federal government, and with a 5 percent county contribution, which makes a huge impact locally. North Carolina is currently the only state still requiring counties to contribute to Medicaid funding. There is still no clarity on mental health funding. We hope to receive allocation letters in September.

## **Legislative Update**

Judy Dahlstrom distributed handouts of a spreadsheet showing legislative updates and a copy of a letter that was published in the *Hickory Daily Record* regarding the recent passage of the mental health parity bill. She noted that there had been some action in the legislature.

- The parity legislation was approved and is pending waiting for the Governor's signature. The coverage for substance abuse was removed from the bill, but all employers, regardless of size, are required to include mental health in their health insurance plans.
- The Study Respite Care (HB424), which deals with studying and recommending ways to improve respite care delivery, passed and was signed by the Governor.

- SB164, which provides for training for mental illness in adult care homes, was also passed and has been signed by the Governor.
- The Appropriations Bill is still in committee.

Judy stated that the Bills on the bottom of the handout are also mental health related, but have seen no action in 45-60 days.

The group then looked at the handout of the editorial in the *Hickory Daily Record* regarding the passage of the parity bill. The writer's opinion was mostly negative, addressing the increased costs to employers. Dr. Tom McKean told the group that federal government data shows very little or no change to insurance costs with including parity for mental health. The outcomes of this coverage for citizens with mental health issues are better, thus providing benefits to the employer and the community.

### **Year End Financials**

Lori Mathes distributed a handout of a spreadsheet for the FY 2006-2007 budget as of June 30, 2007. She gave an overview of the spreadsheet. The budget for 2006-2007 was \$15,244,374.31. The first page shows revenue and earnings against the revenue. It also shows the earnings year to date of the "Big Six" providers. We are currently showing 92 percent earnings against revenue, with some provider billing still outstanding. Page 2 of the spreadsheet shows expenses for 2006-2007 and the percentages of funds remaining in each line item.

John Hardy noted that the 2006-2007 budget was reduced from the previous fiscal year due to providers being able to bill directly to Medicaid rather than that billing going through the LME. He also stated that historically, there has not been much freedom to move funds from one category to another. This has resulted in funds remaining in some categories, while other categories needed more funds. In 2006-2007, the State began the year with a 15 percent allowance for LMEs to move funds. As the year passed, this restriction was loosened to allow for better utilization of funds. The letter from the State to Ron Lewis also allows the ability to move allocations this year for both Catawba and Burke Counties, with the exception of federal dollars. This will allow the Catawba LME to realign money as needed.

The 2007-2008 budget was developed based on information from last year. Allocations are not expected until September. We will make any changes needed in the budget once the allocations are received.

Pages 3 and 4 of the handout show contracts for Catawba and Burke Counties. Approximately one-third of the available funding was initially put into the contracts. This will give us an opportunity to review the contracts in the next few months to see what is utilized and what should be utilized. We will then adjust accordingly as needed. Lori explained that the red line at the top of the last two pages shows what remains in funding that has not yet been put into contracts. Burke County has 31 providers and Catawba has 65. About 25 of the providers are shared between the two counties. The

spreadsheet does not show Medicaid dollars to providers that flow through the State rather than the LME.

It is too early to determine the exact fund balance as of June 30, 2007. It is about 4 million dollars. Of this amount, about 2.5 million is unrestricted and 1.5 million is restricted.

### **Performance Measures**

Melanie Britt distributed handouts of performance measurements and community systems progress indicators for the third quarter of 2006-2007. She noted that we keep close watch on how we are doing as compared to other LMEs across the state. There were no major changes during the third quarter. Our capacity to schedule urgent and emergent appointments is excellent. We are still struggling with scheduling routine appointments within 7 days. There is a good trend in the Catawba LME in that the “no show” rate for appointments has decreased.

We are showing an increase in the inpatient bed use at Broughton Hospital. This is because there are less psychiatric beds available locally. It is not financially attractive for the local hospitals to operate these beds. We are using some Mental Health Trust Fund dollars to purchase more local beds and divert from Broughton.

The 2004-2007 Performance Agreement between DMHDDSAS and MHSCC has been extended through October 2007. We do anticipate some changes in the performance measurements with the new agreement.

### **Action Items**

#### **Appointment of Integration Committee**

Under the Inter-Local Agreement, an Integration Committee will be formed with the specific goal of delivering a plan by December 1, 2007 for a new entity by July 1, 2008. This committee will be charged with developing a plan for governance, how to do business, etc. We need four representatives from each county on the committee. Currently, Maynard Taylor and Ron Kendrick will represent Burke. We still need two more representatives from Burke County. David Isenhower volunteered at the June meeting to serve on the committee as a representative of Catawba County. We still need 3 more representatives.

After some discussion, it was noted that Lynn Lail would serve on the committee as the Commissioner from Catawba County. Dr. Tom McKean and Dr. Robert Yapundich also volunteered to serve as representatives of Catawba County. Maynard Taylor will work to identify two more representatives for Burke County and will get those names to us.

The Integration Committee will plan to meet the second week of August and will set a schedule for meetings at that time. The committee will need to meet monthly August – December.

### **Information Items**

Chair Tom McKean gave an overview of the information items included in the Board packets. The next meeting of the Mental Health Board of Directors will be Thursday, August 16, 2007 at First Plaza.

There being no further business, the meeting was adjourned at 8:17 P.M.

Respectfully submitted,

Janice D. Cornett  
Administrative Assistant II